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No. _____

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1991

TANDON CORPORATION,

Petitioner,

v.

QUANTUM CORPORATION,

Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTIONS PRESENTED

1. Should the Courts of Appeals apply a "practical rather than a technical construction" to the term "final decision" in 28 U.S.C. §§ 1291 and 1295(a)(1), balancing competing considerations when an issue has been finally decided and appears "fundamental to the further conduct of the case," as several Circuits do; or should they summarily dismiss appeals of all decisions that do not terminate district court proceedings, as is the practice in the Federal and several other Circuits?

2. Should a district court decision be treated as sufficiently final for appeal under 28 U.S.C. §§ 1291 and 1295(a)(1) when (a) the decision conclusively determines an issue, (b) which is "fundamental to the further conduct of the case," and (c) an immediate appeal would reduce cost and inconvenience of the litigation?

LIST OF PARTIES AND RULE 29.1 LIST

There are no parties to this proceeding not revealed by the caption.

Petitioner Tandon has no parent companies or subsidiaries (except wholly-owned subsidiaries) except that Tandon Corporation and Toshiba Corporation (which is believed to be a publicly held corporation) jointly own Harland Corporation, a Panamanian holding corporation which is a joint owner of Eastern Peripherals Pvt. Ltd., an Indian Company. Relatives of Tandon Corporation's chairman are the other joint owners of Eastern Peripherals.

Respondent Quantum's subsidiary, Plus Development Corporation, was named as a party in some of the District Court and Court of Appeals captions, because Plus made separate claims against Tandon in the same action. That dispute has been settled and Plus' claims were dismissed in 1990.

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IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1991

TANDON CORPORATION, Petitioner,

v.

QUANTUM CORPORATION, Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

Petitioner Tandon Corporation respectfully prays that a writ of certiorari issue to review the order of the United States Court of Appeals for the Federal Circuit, entered in the above-entitled proceedings on April 29, 1991.

OPINIONS BELOW

The April 29, 1991 order of the Court of Appeals for the Federal Circuit, dismissing Tandon's appeal, has not been reported. It is reprinted in the appendix, *infra* p. 1a.

The January 14, 1991 memorandum opinion and order of the United States District Court for the Northern District of California is reported at 18 USPQ2d 1597 (Orrick, J.). It is reprinted in the appendix, *infra* p. 4a. The February 11, 1991 order of the District Court has not been reported. It is reprinted in the appendix, *infra* p. 34a.

JURISDICTION

Respondent Quantum brought this action under 28 U.S.C. § 1400(a) in the Northern District of California. On January 14, 1991, the District Court decided four motions for summary judgment. *See infra* p. 4a, 18 USPQ2d at 1608. Reconsideration and certification pursuant to 28 U.S.C. § 1292(a) were denied by that Court's February 11, 1991 order. *See infra* p. 34a.

Petitioner Tandon appealed to the Federal Circuit under 28 U.S.C. § 1295(a)(1) and the doctrine of *Gillespie v. United States Steel Corp.*, 379 U.S. 148 (1964). The Federal Circuit dismissed the appeal for lack of jurisdiction, on the grounds that the district court's decision was not final and that *Gillespie* was no longer applicable. *See infra* p. 2a. No rehearing was sought.

Jurisdiction of this Court to review the Federal Circuit's order of dismissal is invoked under 28 U.S.C. § 1254(1).

STATUTES INVOLVED

28 U.S.C. § 1291. Final decisions of the district courts

The courts of appeals (other than the United States Court of Appeals for the Federal Circuit) shall have jurisdiction of appeals from all final decisions of the district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, except where a direct review may be had in the Supreme Court. The jurisdiction of the United States Court of Appeals for the Federal Circuit shall be limited to the jurisdiction described in sections 1292(c) and (d) and 1295 of this title.

28 U.S.C. § 1295. Jurisdiction of the United States Court of Appeals for the Federal Circuit

(a) The United States Court of Appeals for the Federal Circuit shall have exclusive jurisdiction--

(1) of an appeal from a final decision of a district court of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, or the District Court of the Northern Mariana Islands, if the jurisdiction of that court was based, in whole or in part, on section 1338 of this title, except that a case involving a claim arising under any Act of Congress relating to copyrights, exclusive rights in mask works, or trademarks and no other claims under section 1338(a) shall be governed by sections 1291, 1292, and 1294 of this title; . . . .

Two portions of the Patent Act, 35 U.S.C. § 112, para. 1, and § 251, para. 1, which are referred to in this petition but are not directly involved in the Questions Presented, are reproduced at notes 1 and 4 of the District Court's opinion, *infra* pp. 5a and 7a. A section of the Patent Office Rules of Practice, 37 C.F.R. § 1.175, is reproduced *infra* p. 36a, for the same reason.

STATEMENT OF THE CASE

A. Introduction

This petition involves the single issue of finality with respect to Court of Appeals jurisdiction under 28 U.S.C. §§ 1291 and 1295(a)(1). We first summarize the proceedings relevant to the Federal Circuit's dismissal of Tandon's appeal. To demonstrate the importance of the dismissed appeal, we also provide a statement of the two principal

appealed patent law issues which Tandon submits the Federal Circuit should address.

B. Summary of the Proceedings Relevant to Dismissal of the Appeal

This is an action by Quantum Corporation charging Tandon Corporation with infringement of U.S. Reissue Patent No. Re 32,075 (the "Reissue Patent") by the TM 362/262 disk drives which Tandon manufactured in 1985-87. Both parties moved for summary judgment on several issues. In deciding those motions, the district court, *inter alia*, dismissed two of Tandon's principal defenses, either one of which might have terminated the case as to some or all of the claims of the patent.

Believing that the district court had erred, that the errors would dramatically change the course of the jury trial of the remaining issues, and that an immediate appeal would reduce cost and inconvenience, Tandon appealed to the Federal Circuit.

Quantum moved to dismiss the appeal for lack of finality. Tandon opposed dismissal, relying primarily upon *Gillespie v. United States Steel Corp.*, 379 U.S. 148 (1964).[1] The appeal was dismissed by the Federal Circuit, which cited

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[1] *Gillespie* permitted an immediate appeal before the last possible order by a District Court where claims had been dismissed, the issues were fundamental to the further conduct of the case, and an immediate appeal would reduce cost and inconvenience of the litigation. 379 U.S. at 152-54. *See infra* p. 9.

In opposing dismissal, Tandon also cited the collateral order doctrine of *Cohen v. Beneficial Industrial Loan Corp.*, 337 U.S. 541 (1949) with respect to other grounds for appeal to the Federal Circuit, which that Court rejected, *infra* p. 3a; however, those grounds are not involved in the present petition.

dicta in note 30 of *Coopers & Lybrand v. Livesay*, 437 U.S. 463 (1978), and its own *in banc* opinion in *Copelands' Enterprises, Inc. v. CNV, Inc.*, 887 F.2d 1065 (Fed. Cir. 1989), for the proposition that *Gillespie* has been severely limited and is inapplicable.

C. Issues the Federal Circuit Should Address

1. Tandon's Servowriter Best Mode Defense

Shortly after Quantum was founded in early 1980, its engineers began development of its first product, the Q2000 disk drive. That was a hard disk drive for magnetic recording of data in computer systems. Further relevant details are found in the introduction and sections I and III.A of the district court opinion, *infra* pp. 4a-6a, 15a-16a, 18 USPQ2d at 1598-99, 1602.

Quantum's object--which it achieved--was to store on a disk twice the data stored by a competing product. That was accomplished by a "servo system," used for fine positioning of the Q2000's read/write heads with respect to the disks. The Q2000's fine servo system required the recording of critical control information called servo "burst" information on one of the disks in each Q2000 disk drive at the time of manufacturing. Those servo bursts controlled the fine positioning of the read/write heads in playing back or recording data on the disks.

Quantum and the patentees had known from the beginning how they would record the servo bursts in making the Q2000 drives. That method, and the apparatus they used, was more efficient and less expensive than the known, conventional way. On September 24, 1980, Quantum made its first commercial delivery of a Q2000 disk drive. Only five days earlier, Quantum had filed the patent application which eventually led to the patent involved in this action. That

application was based on the Q2000 design, but it *did not reveal* either the advantageous "servowriter" method or the apparatus Quantum used to record the servo bursts. All that the application, and the resulting patents, say is that the bursts are "factory prerecorded" *without saying how*. Quantum has maintained that information as a trade secret.

Tandon contends in its servowriter best mode defense that Quantum's withholding of the servowriter method and apparatus it used to record the Q2000's servo bursts is a violation of the Patent Law's requirement that a patent applicant disclose "the best mode contemplated by the inventor of carrying out his invention." 35 U.S.C. § 112, para. 1.[2] As a result, Tandon contends, all of the Reissue Patent claims are invalid. The District Court rejected that defense, finding that "Quantum adequately disclosed the best mode for practicing its invention with respect to the servowriter." *Infra* p. 16a, 18 USPQ2d at 1602. Thus, that defense cannot even be pursued at the forthcoming jury trial.

Tandon raised this issue in its dismissed appeal which led to this petition. If correctly decided, the servowriter best mode defense would invalidate all asserted patent claims. In addition, four other best mode defenses remain for trial. *Infra* pp. 16a-24a, 32a, 18 USPQ2d at 1602-05, 1608. If the District Court's errors of best mode law are not corrected by the Federal Circuit, the jury trial will proceed under erroneous instructions with respect to the remaining four best mode defenses.

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[2] Reproduced in note 1 of the District Court's Opinion, *infra* p. 5a.

2. *Tandon's Reissue Defense*

After issuance of its original patent, Quantum sued a third party, CMI. During that litigation, Quantum decided to seek a reissue patent containing broader claims and applied for reissue pursuant to 35 U.S.C. § 251.[3]

Quantum's reissue application was initially rejected by the Patent and Trademark Office ("PTO"), *inter alia*, for failure of the reissue declaration to comply with the applicable rule, 37 C.F.R. § 1.175.[4] The Reissue Patent was granted only after a supplemental reissue oath ("SRO") was filed.

Tandon's reissue defense asserted invalidity for improper reissue of the Reissue Patent because of failures to show "error" as required by 35 U.S.C. § 251, and failures to comply with 37 C.F.R. § 1.175(a)(2) & (a)(5) with respect to amendments of both the description and claims. Finding no facts in dispute, the court below granted Quantum's cross-motion for summary judgment dismissing Tandon's entire reissue defense. *Infra* pp. 13a, 32a, 18 USPQ2d at 1601. Tandon appealed immediately because this case raises reissue law questions not previously addressed by the Federal Circuit and because the improper amendments by reissue, which were accepted by the District Court, are likely to lead to misinterpretation of both original and amended claims of the Reissue Patent by the jury at trial.

3. *Posture of the Action*

As a result of the summary judgments of the District Court, Tandon is faced with a jury trial in which it will be precluded from offering evidence or arguments in support of two major,

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[3] Reproduced in note 4 of the District Court's opinion, *infra* p. 7a.

[4] Reproduced *infra* p. 36a.

potentially dispositive invalidity defenses. Furthermore, the trial is likely to proceed on the wrong instructions as to best mode law and on the basis of improperly interpreted patent claims. The cost to the parties and the judicial system of an immediate appeal of limited issues is far less in this case than the course which the dismissal fosters: a complicated jury trial followed by appeal and then retrial.

REASONS FOR GRANTING THE WRIT

I.

The Federal Circuit Effectively Limits § 1295(a)(1) Appeals to Orders Terminating Proceedings, and Is in Conflict with Decisions of this Court and Other Circuits.

There is a substantial difference of opinion in the federal appellate courts as to whether to apply, and how to apply, the finality doctrine of *Gillespie* following the comment on that decision in *dicta* in footnote 30 of *Coopers & Lybrand* (reproduced *infra* note 6). Indeed, we submit, not only is there a conflict among Circuits regarding application of *Gillespie*, but also there is a conflict between the decisions of the Federal Circuit and those of this Court.

A. Background of the Circuit Conflict

Gillespie v. United States Steel Corp., 379 U.S. 148 (1964) was a Jones Act case. It involved both a dismissal of issues and a dismissal of several parties.[5]

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[5] The petition to this Court was filed after the Court of Appeals denied a petition for mandamus and affirmed the District Court's order which (continued...)

This Court did not adopt a technical approach to finality, saying "as this Court often has pointed out, a decision "final" within the meaning of [28 U.S.C.] § 1291 does not necessarily mean the last order possible to be made in a case." *Id.* at 152. *Accord Mitchell v. Forsyth*, 472 U.S. 511, 524 (1985). Because of the difficulty in deciding whether a ruling is "final" within the meaning of § 1291, "this Court has held that the requirement of finality is to be given a 'practical rather than a technical construction.'" *Gillespie*, 379 U.S. at 152 (quoting *Cohen v. Beneficial Loan Corp.*, 337 U.S. 541, 546 (1949)). *Gillespie* went on to say that *"Dickinson v. Petroleum Conversion Corp.*, 338 U.S. 507, 511 [1950], pointed out that in deciding questions of finality the most important competing considerations are 'the inconvenience and costs of piecemeal review on the one hand and the danger of denying justice by delay on the other.'" *Gillespie* 379 U.S. at 152-53. Finding that the costs would be less if the questions presented were addressed immediately, and that the questions presented were "fundamental to the further conduct of the case," this Court concluded that "the same policy Congress sought to promote in § 1292(b)" was served "by treating this obviously marginal case as final and appealable under 28 U.S.C. § 1291 (1958 ed.)." *Id.* at 153-54.

In *Coopers & Lybrand v. Livesay*, 437 U.S. 463 (1978), the question was whether a District Court's determination that an action may not be maintained as a Rule 23 class action

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[5](...continued)
had "struck all parts of the complaint which referred to the Ohio statutes or to unseaworthiness," and "all reference to recovery for the benefit of the brother and sisters of the decedent, who respondent had argued were not beneficiaries entitled to recovery under the Jones Act while their mother was living." 379 U.S. at 150-51.

is or is not "final" under 28 U.S.C. § 1291. 437 U.S. at 464-65. Certiorari was granted because of a conflict among the Circuits. This Court held that the collateral order doctrine of *Cohen* was not applicable to an order denying class certification and set forth a three point test for orders to come within the collateral order rule of *Cohen*. *Id.* at 468-69. *Coopers & Lybrand* also considered and rejected the "death knell" doctrine which had been adopted in several Circuits. *Id.* at 469-76.

Coopers & Lybrand held "that the fact that an interlocutory order may induce a party to abandon his claim before final judgment is not a sufficient reason for considering it a 'final decision' within the meaning of § 1291." *Id.* at 477. In a footnote to that holding, reproduced in the margin,[6] *Coopers & Lybrand* rejected the suggestion that *Gillespie* "supports appealability of a class-designation order as a matter of

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[6] The footnote states in full:

Respondents also suggest that the Court's decision in *Gillespie v. United States Steel Corp.*, 379 U.S. 148, supports appealability of a class-designation order as a matter of right. We disagree. In *Gillespie*, the Court upheld an exercise of appellate jurisdiction of what it considered a marginally final order that disposed of an unsettled issue of national significance because review of that issue unquestionably "implemented the same policy Congress sought to promote in § 1292(b)," *id.*, at 154, and the arguable finality issue had not been presented to this Court until argument on the merits, thereby ensuring that none of the policies of judicial economy served by the finality requirement would be achieved were the case sent back with the important issue undecided. In this case, in contrast, respondents sought review of an inherently nonfinal order that tentatively resolved a question that turns on the facts of the individual case; and, as noted above, the indiscriminate allowance of appeals from such discretionary orders is plainly inconsistent with the policies promoted by § 1292(b). If *Gillespie* were extended beyond the unique facts of that case, § 1291 would be stripped of all significance.

437 U.S. at 477, n.30.

right." The last sentence of that footnote, stating that "[i]f *Gillespie* were extended beyond the unique facts of that case, § 1291 would be stripped of all significance," is the source of the split among the Circuits over the *Gillespie* doctrine.

B. The Federal Circuit and Three Others Now Refuse to Follow *Gillespie*

1. *The Federal Circuit*

The Federal Circuit dismissed Tandon's § 1295(a)(1) appeal in the present action on the authority of note 30 of *Coopers & Lybrand*, as previously interpreted in its own *in banc* opinion in *Copelands' Enterprises, Inc. v. CNV, Inc.*, 887 F.2d 1065 (Fed. Cir. 1989).[7] See *infra* p. 2a.

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[7] "The 'final decision' requirement of 28 U.S.C. § 1295(a)(1) is co-extensive with the 'final decision' requirement of 28 U.S.C. § 1291 (1982), governing appeals to other United States Circuit Courts." *Johannsen v. Pay Less Drug Stores Northwest, Inc.*, 918 F.2d 160, 161 n.1 (Fed. Cir. 1990).

Prior to *Coopers & Lybrand*, the Court of Customs and Patent Appeals ("CCPA") had applied the *Gillespie* standard. *Toro Co. v. Hardigg Indus., Inc.*, 549 F.2d 785 (C.C.P.A. 1977); *Knickerbocker Toy Co. v. Faultless Starch Co.*, 467 F.2d 501 (C.C.P.A. 1972).

The CCPA's successor, the Federal Circuit, applied *Gillespie* to § 1295 appeals until eight years after *Coopers & Lybrand*. *Tenneco Resins, Inc. v. Reeves Bros., Inc.*, 736 F.2d 1508 (Fed. Cir. 1984) (Rich, J.) (single judge order) (patent appeal permitted); *Dewey Electronics Corp. v. United States*, 803 F.2d 650 (Fed. Cir. 1986) (contract appeal permitted); *Maier v. Orr*, 754 F.2d 973 (Fed. Cir. 1985), (back pay and reinstatement appeal permitted); *Parker Bros. v. Tuxedo Monopoly, Inc.*, 757 F.2d 254, 255 (Fed. Cir. 1985) (*Gillespie* distinguished in a trademark appeal: "An order *denying* a motion for summary judgment is interlocutory, non-final, and non-appealable." (emphasis added)).

Cabot Corp. v. United States, 788 F.2d 1539 (Fed. Cir. 1986) (dismissing appeal of Court of Int'l Trade order remanding to Int'l Trade Admin. for "further investigation and determination"), was the first indication that the Federal Circuit would no longer apply *Gillespie*.

In *Copelands'*, a consolidated appeal of grants of partial summary judgments in a trademark application and a trademark cancellation proceeding by the Trademark Trial and Appeal Board ("TTAB"), the Federal Circuit ruled that *Gillespie* had no vitality with respect to the subjects of TTAB jurisdiction:

> We find it unnecessary to review the specifics of these progeny of *Gillespie*, however, because the Supreme Court has severely limited *Gillespie* as a basis for accepting an appeal from an interlocutory decision. In *Coopers & Lybrand v. Livesay, Gillespie* was limited to its "unique facts" lest, in the Supreme Court's view, 28 U.S.C. § 1291 (1982) "be stripped of all significance." This court has recognized that admonition.
>
> *Gillespie* was a wrongful death suit involving the Jones Act, the Ohio wrongful death statute, and unseaworthiness under "general maritime law." Similar facts could not possibly arise before the TTAB. Accordingly, *Gillespie* no longer provides a viable basis upon which this court may entertain appeals from interlocutory decisions or orders of that tribunal.

Copelands', 887 F.2d at 1068 (citations omitted). The Federal Circuit concluded "[s]ince the appealed orders did not put an end to the litigation before the Board, Copelands' appeals are premature." *Id.*

2. *The Second, Fifth and Eighth Circuits*

LTV Steel Corp. v. United Mine Workers (In re Chateaugay Corp.), 922 F.2d 86 (2d Cir. 1990), was a bankruptcy case. The Second Circuit concluded from note 30 of *Coopers & Lybrand* that this Court "has expressly rejected the view that *Gillespie* permits the court to decide close cases of finality

by an ad hoc balancing, and has recommended that *Gillespie* be limited to its unique facts." *Chateaugay*, 922 F.2d at 91.

Like the Federal Circuit, the Fifth Circuit has practically eliminated application of the *Gillespie* doctrine in an *in banc* decision. *Newpark Shipbuilding & Repair, Inc. v. Roundtree*, 723 F.2d 399 (5th Cir. 1984).

The Eighth Circuit held in *Barnes v. Bosley*, 790 F.2d 718, 719-20 (8th Cir. 1986), that an order reinstating employment with full back pay and benefits, but without specifying the amounts, "does not constitute a final order under 28 U.S.C. § 1291 in that it does not end the litigation." *Id.* at 720 (citing *Coopers & Lybrand*, 437 U.S. at 467).

C. Other Circuits Continue to Apply *Gillespie*

1. *The First, Fourth and Eleventh Circuits*

The First Circuit has continued to apply *Gillespie* and *Dickinson* in appropriate cases. *See In re Licht & Semonoff*, 796 F.2d 564, 569-70 (1st Cir. 1986) (Bownes, J.) (appeal not allowed); *United States v. Baus*, 834 F.2d 1114, 1118-21 (1st Cir. 1987) (appeal allowed).

A recent Fourth Circuit opinion in a stockholders' action, *Southeast Bank, N.A. v. Carmazzi*, 910 F.2d 115 (4th Cir. 1990), indicated a willingness to apply the *Gillespie* doctrine in appropriate cases, saying "[w]e have also considered whether this is a 'twilight zone' case under *Gillespie v. United States Steel Corp.*, but have concluded that an order of rescission requires further action on the trial level prior to noting an appeal." *Id.* at 116 (citation omitted).

In *United States v. State of Alabama*, 828 F.2d 1532 (11th Cir. 1987), a civil rights case, the Eleventh Circuit continued to follow a pragmatic, rather than formalistic, approach to appealability, citing *Gillespie* as authority. *Id.* at 1536 n.5, 1537 n.6. Other opinions from that Circuit indicate that the *Gillespie* doctrine is still alive and being applied there in

determining finality. *See, e.g., Ray v. Florida Cabinet*, 845 F.2d 311, 313 (11th Cir. 1988); *Arauz v. Rivkind*, 845 F.2d 271, 274 n.3 (11th Cir. 1988); *T & B Scottdale Contractors, Inc. v. United States*, 815 F.2d 1425, 1428 n.8 (11th Cir. 1987); *Martin Bros. Toolmakers, Inc. v. Industrial Dev. Bd. of Huntsville (In re Martin Bros. Toolmakers, Inc.)*, 796 F.2d 1435, 1436-37 (11th Cir. 1986); *Haitian Refugee Center v. Meese*, 791 F.2d 1489, 1493 (11th Cir. 1986).

2. *The Third, Sixth, Seventh and Ninth Circuits*

Since *Coopers & Lybrand*, the Courts of Appeals for the Third, Sixth, Seventh and Ninth Circuits have continued to cite and apply *Gillespie* in cases other than those arising under § 1291, especially in administrative and bankruptcy appeals. Each of these Circuits has taken a different approach.

The Ninth Circuit is of particular interest because it is the regional Circuit where the present action is pending, although not the Circuit with appellate jurisdiction of this patent case. 28 U.S.C. § 1295(a)(1). That Court has determined that *Coopers & Lybrand* limits *Gillespie*, but has continued to apply the *Gillespie* test and has found finality in several cases. In *dicta* in *Kiaaina v. Jackson*, 851 F.2d 287 (9th Cir. 1988), a personal injury case, the Court of Appeals said, "The *Gillespie* test is applied sparingly to orders involving unsettled issues of national importance where immediate review would serve the purpose of judicial economy underlying the finality rule." *Id.* at 290, n.5 (citing *Coopers & Lybrand*, 437 U.S. at 477 n.30; *Southern Cal. Edison Co. v. Westinghouse Elec. Corp. (In re Subpoena)*, 813 F.2d 1473, 1479-80 (9th Cir. 1987)). *Accord All Alaskan Seafoods, Inc. v. M/V Sea Producer*, 882 F.2d 425, 428 n. 2 (9th Cir. 1989) (partial summary judgment not appealable under *Gillespie*, but appealable on other grounds). *Cf.*

Wabol v. Villacrusis, 908 F.2d 411, 415-17 (9th Cir. 1990) (appeal from District Court of Northern Mariana Islands sufficiently final under *Kiaaina*). On at least two occasions, that Court has permitted appeals under the *Gillespie* doctrine and § 1291 because, "if the legal standard formulated by the district court were wrong, the administrative proceeding [on remand] would be wasted." *Regents of Univ. of Cal. v. Heckler*, 771 F.2d 1182, 1187 (9th Cir. 1985) (citing *Stone v. Heckler*, 722 F.2d 464, 467 (9th Cir. 1983)).

The Ninth Circuit has also distinguished appeals in bankruptcy cases from appeals under § 1291 in *Sulmeyer v. Karbach Enter. (In re Exennium)*, 715 F.2d 1401 (9th Cir. 1983), finding jurisdiction under the *Gillespie* doctrine and saying "To the extent that the Supreme Court in *Coopers & Lybrand v. Livesay* suggested a narrow application of the *Gillespie* exception to section 1291, we would still be free to apply the policies behind *Gillespie* more broadly under section 1293 if necessary for the efficient operation of bankruptcy proceedings." *Exennium*, 715 F.2d at 1403 n.1 (citations omitted). *See id.* at 1402-03.[8]

The Sixth Circuit's published opinions pay less attention to the *dicta* of *Coopers & Lybrand*, but like the Ninth Circuit, they have made a distinction between bankruptcy cases and § 1291 appeals when finding sufficient finality for appeal under *Gillespie*. *Vause v. Capital Poly Bag, Inc. (In re Vause)*, 886 F.2d 794, 797-98 (6th Cir. 1989); *Sun Valley*

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[8] *Compare Subpoena*, 813 F.2d at 1479-80 (9th Cir. 1987), *Exennium*, 715 F.2d at 1403 n.1 (9th Cir. 1983), and *Chateaugay*, 922 F.2d at 90 (2d Cir. 1990) ("Finality in the bankruptcy context is determined by a less rigid standard . . . .") *with T & B Scottdale*, 815 F.2d at 1427 n.7 (11th Cir. 1987) ("[I]n this circuit the same standard of finality applies to appeals arising under either § 1293 [bankruptcy] or § 1291.").

Foods Co. v. Detroit Marine Terminals, Inc. (In re Sun Valley Foods Co.), 801 F.2d 186, 189-90 (6th Cir. 1986).

The Third Circuit concluded in *Kelly v. Mellon Bank (East) N.A. (In re Kelly)*, 876 F.2d 14 (3d Cir. 1989) (bankruptcy case), that *Coopers & Lybrand* had limited *Gillespie* to its "unique facts," *Id.* at 15; however, the Third Circuit is less technical and more pragmatic when considering finality in bankruptcy cases. *See, e.g., Metro Transp. Co. v. North Star Reinsurance Co.*, 912 F.2d 672, 676-77 (3d Cir. 1990).

The Seventh Circuit's analysis of *Coopers & Lybrand*'s note 30 construes the "unique facts" of *Gillespie* as being that two courts had decided the merits before the finality issue arose, and that the alternative would have imposed undue delay and hardship on the plaintiff. *Flynn v. Merrick*, 776 F.2d 184, 185 (7th Cir. 1985)[9]. That opinion indicated doubt that the Seventh Circuit could ever use the principle of *Gillespie*, *id.* at 185; however, it appears to have done so in later cases. *See, e.g., Fruehauf Corp. v. Jartran, Inc.* (*In re Jartran, Inc.*), 886 F.2d 859, 864 (7th. Cir. 1989) (*Gillespie* test applied, bankruptcy appeal refused under § 1291); *Daviess County Hosp. v. Bowen*, 811 F.2d 338, 341-42 (7th Cir. 1987) (administrative appeal permitted); *In re Boomgarden*, 780 F.2d 657, 659-60 (7th Cir. 1985) (bankruptcy appeal permitted).

D. There Is Conflict with This Court's Precedents

In refusing to follow the "practical rather than a technical construction" of finality, which this Court endorsed in *Cohen*,

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[9] *Compare Copelands'*, 887 F.2d at 1068, quoted *supra* at p. [14], in which the Federal Circuit appears to limit *Gillespie* to the specific, detailed facts of that case.

337 U.S. at 546, and *Gillespie*, 379 U.S. at 152, the Federal Circuit has departed from the precedents of this Court.

Note 30 of *Coopers & Lybrand* does not justify such a departure for two reasons. First, the last sentence of that note, on which the Federal Circuit relied in the present case, *infra* p. 2a, and in *Copelands'*, 887 F.2d at 1067, is *dicta*.[10] While we recognize that this *dicta* may signal this Court's attitude against over-extending the *Gillespie* doctrine, it clearly does not signal its demise. Second, neither note 30 of *Coopers & Lybrand* nor the Federal Circuit's decisions relying on that note, including the order which led to this petition, address or follow this Court's other decisions regarding how questions of finality are to be determined.

As noted above, *Cohen* urged a non-technical approach to finality. *Brown Shoe Co. v. United States*, 370 U.S. 294 (1962), also endorsed "a pragmatic approach to the question of finality," saying that such an approach "has been considered essential to the achievement of the 'just, speedy, and inexpensive determination of every action': the touchstones of federal procedure." *Id.* at 306, quoting F.R.Civ.P. 1.

In *Dickinson*, this Court identified the fundamental considerations affecting questions of appealability as "the inconvenience and costs of piecemeal review on the one hand and the danger of denying justice by delay on the other." 338 U.S. at 511. *Gillespie* quoted and was based on that statement, 379 U.S. at 152-153, yet the Federal and several other Circuits ignore it. The practical approach was

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[10]Earlier, the note itself clearly distinguishes *Coopers & Lybrand* from *Gillespie*, and on that basis held *Gillespie* inapplicable. In particular, note 30 (quoted in full, *supra* note 6) states that "[i]n this case, in contrast [to *Gillespie*], respondents sought review of an *inherently nonfinal* order that *tentatively* resolved a question that turns on the facts of the individual case . . . ." *Coopers & Lybrand*, 437 U.S. at 477, n.30 (emphasis added).

not rejected in *Coopers & Lybrand*. Indeed, unlike the present case and the Federal Circuit's practice since *Copelands'*, *Dickinson*'s fundamental considerations were evaluated in *Coopers & Lybrand*.[11]

E. Current Congressional Intent Now Favors the Less Restrictive View of Finality

Some of this Court's opinions relating to finality have referred to Congressional intent. *See, e.g., Midland Asphalt Corp. v. United States*, 489 U.S. 794, 798 (1989); *Flanagan v. United States*, 465 U.S. 259, 264 (1984); *Coopers & Lybrand*, 437 U.S. at 472, 476 n. 28; *Cobbledick v. United States*, 309 U.S. 323, 325-26 (1940). Congress indicated its present intent by the enactment of 28 U.S.C. § 2072(c) in 1990. That statute demonstrates an intent not to shut down appeals of the type permitted by this Court in *Gillespie, Cohen* and *Dickinson*. It provides that rules of practice and procedure adopted by this Court "may define when a ruling of a district court is final for the purposes of appeal under section 1291 of this title."[12]

The new subdivision (c) was enacted in response to a recommendation of the April 2, 1990 *Report of the Federal Courts Study Committee*, which had noted that:

> *The state of the law* on when a district court ruling is appealable because it is "final," or is an appealable interlocutory action, *strikes many observers as unsatisfactory in several respects*. The area has produced much purely procedural litigation. Courts of appeals often dismiss appeals as premature.

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[11] *See supra* note 10.

[12] Pub. L. 101-650, Title III, § 315, 104 Stat. 5115 (1990) (codified as amended at 28 U.S.C.A. § 2072(c) (West Supp. 1991)).

> Litigants sometimes face the possibility of waiving their right to appeal when they fail to seek timely review because it is unclear when a decision is "final" and the time for appeal begins to run. Decisional doctrines--such as "practical finality" and especially the "collateral order" rule--blur the edges of the finality principle, require repeated attention from the Supreme Court, and *may in some circumstances restrict too sharply the opportunity for interlocutory review.*

Id. at 95 (emphasis added).[13]

II.

The Appealed Issues in this Action Were Conclusively Determined and Are Fundamental to the Further Conduct of the Case, and an Immediate Appeal Would Reduce Cost and Inconvenience.

A. The Pragmatic Rather Than Technical Approach

The proper approach to appealability was phrased by this Court in *Cohen* in terms of giving the requirement of finality a "practical rather than a technical construction." 337 U.S. at 546, *quoted in Gillespie*, 379 U.S. at 152. *Brown Shoe* referred to it as a "pragmatic approach to the question of finality." 370 U.S. at 306.

There is a rather stringent, three-part test to be used in applying the pragmatic approach to appealability under the

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[13]*See* H.R. Rep. 734, 101st Cong., 2d Sess. 18, *reprinted in* 1990 U.S. Code Cong. & Admin. News 6860, 6864.

Gillespie doctrine. We believe the test has been satisfied in this case. Certainly it was improper for the Federal Circuit to summarily dismiss the appeal in this case without even applying the appropriate test. The Federal Circuit, since its *in banc Copelands'* decision, has been following the technical construction approach rejected by this Court in *Gillespie, Brown Shoe* and *Cohen*.

The next three sections discuss the three-part test of (1) whether the appealed issues were conclusively determined, (2) whether they are fundamental to the further conduct of the case, and (3) whether an immediate appeal would reduce cost and inconvenience.

B. The Appealed Issues Were Conclusively Determined

It is implicit in *Gillespie* that the appealed issues must have been finally decided. In that case, parts of the complaint had been struck. 379 U.S. at 150-51. Similarly, in clarifying the *Cohen* collateral order doctrine, *Coopers & Lybrand* required that "the order must conclusively determine the disputed question." 437 U.S. at 468.

In the present case, the district court rendered a summary judgment dismissing Tandon's servowriter best mode defense and its defense of improper reissue. *Infra* pp. 7a-16a, 32a, 18 USPQ2d at 1599-1602, 1608. The finality of that decision satisfies this threshold test of appealability.

C. The Appealed Issues Are Fundamental to the Further Conduct of the Case

An appealed issue must be "fundamental to the further conduct of the case" when an order did not terminate all proceedings in the district court. *Gillespie*, 379 U.S. at 153.

That requirement first appeared at least as early as 1945 in *United States v. General Motors Corp.*, 323 U.S. 373, 377, where this Court granted certiorari to assure that the correct legal standard was applied at the retrial.

The District Court's January 14th decision in the present case applied the wrong legal standards in two principal respects while attempting to apply best mode law to Tandon's servowriter best mode defense. It confused the statutory best mode requirement of 35 U.S.C. § 112, para. 1, with the separate and distinct requirement of "enablement" in the same statutory paragraph (an all too common error),[14] holding that "Quantum was under no obligation to disclose the type of servo writer used" because a method of disk drive manufacture was not claimed and because a commercially available servo writer could be used. *Infra* pp. 15a-16a, 18 USPQ2d at 1602. It also misinterpreted *Spectra-Physics*, 827 F.2d at 1535-36, as excusing the nondisclosure of best mode where a method of manufacture "was not necessary to practice the invention." *Infra* p. 16a, 18 USPQ2d at 1602. Those legal errors not only preclude Tandon from raising its potentially dispositive servowriter best mode defense at trial, but also guarantee that the wrong legal standard will be applied to Tandon's four other best mode defenses at the jury trial of this case. As a result, correction of the error is fundamental to the further conduct of the case.

Tandon's reissue defense asserted invalidity of the Reissue Patent for improper reissue because of failures to show

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[14] *See, e.g., Spectra-Physics, Inc. v. Coherent, Inc.*, 827 F.2d 1524, 1534, 1537 (Fed. Cir.), *cert. den.* 484 U.S. 954 (1987). "The trial court evidently had a grasp on the essential facts but somehow got them into the wrong legal pigeonholes." *Id.* at 1537.

"error" as required by 35 U.S.C. § 251, and failures to comply with 37 C.F.R. § 1.175(a)(2) & (a)(5) with respect to amendments of both the description and claims. Finding no facts in dispute, the court below not only denied Tandon's motion, but also granted Quantum's cross-motion for summary judgment dismissing Tandon's entire reissue defense. The dismissal of Tandon's reissue defense should be appealable now for two principal reasons. First, the dismissal precludes raising this potentially dispositive defense at trial. Second, the amended description of the Reissue Patent will be used to construe all of the claims, original and those amended by reissue. As a result, this case will be tried on the basis of the improperly amended Reissue Patent if the District Court's errors of law are not corrected before trial by the Federal Circuit

Thus, the appealed issues satisfy the test of being fundamental to the further conduct of this case.

D. Convenience and Economy Favor an Immediate Appeal

The final factor emphasized in *Gillespie*, 379 U.S. at 152-53, citing *Dickinson*, 338 U.S. at 511, as the most important consideration in deciding the question of finality, is the balancing of inconvenience and costs of piecemeal review against the danger of denying justice by delay. The Ninth Circuit (where this patent action originated) has permitted appeals to correct the legal standards applied by the lower court before further proceedings. *Regents*, 771 F.2d at 1187; *Stone*, 722 F.2d at 767. Such an approach is appropriate here.

In the present case, the resources of the courts and the parties will be conserved by immediate review of the appealed issues. If Tandon is correct on the best mode

issue, it is likely that the litigation will be terminated, because all asserted claims are invalidated when the best mode requirement has been violated. *Dana Corp. v. IPC Ltd. Partnership*, 860 F.2d 415, 420 (Fed. Cir. 1988). Similarly, if Tandon is correct concerning the impropriety of the reissue amendments to the description, all asserted claims should be invalidated. *See In re Constant*, 827 F.2d 728, 729 (Fed. Cir. 1987) (claims of reissue patent application rejected for failure to comply with rule regarding specification amendments). Even if Tandon is not completely successful in these respects, an immediate appeal will permit the Federal Circuit to correct errors of law before the jury trial of this case, reducing the likelihood of retrial.

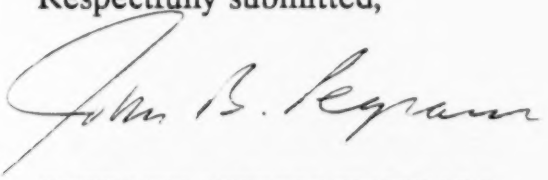
Postponing review until after trial makes it clear that dispositive issues will not be tried and likely that the jury will be improperly instructed as to the law on the remaining four best mode issues. Both original and amended claims of the Reissue Patent probably will be construed erroneously through use of the improperly amended Reissue Patent description and the trial will proceed with respect to one or more improperly amended claims of the Reissue Patent. The potentially dispositive servowriter best mode and reissue defenses will have to await completion of the trial before appeal. As a result, unless the cost and delay make it prohibitive for defendants, the first jury trial will undoubtedly be followed by an appeal and a second jury trial.

Thus, the cost and inconvenience of an immediate review of the appealed issues in this area of significant public interest are far less than the cost and inconvenience of deferring appeal of those issues until after trial.

CONCLUSION

For the reasons stated, this petition for writ of certiorari should be granted.

Respectfully submitted,



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APPENDIX

NOTE: Pursuant to Fed. Cir. R. 47.8, this order is not citable as precedent. It is a public record.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

91-1207

QUANTUM CORPORATION and
PLUS DEVELOPMENT CORPORATION,

Plaintiffs-Appellees,

v.

TANDON CORPORATION,

Defendant-Appellant.

ON MOTION

Before NIES, *Chief Judge*, RICH, and MAYER, *Circuit Judges*.
RICH, *Circuit Judge*.

ORDER

Quantum Corporation moves to dismiss the appeal of Tandon Corporation for lack of appellate jurisdiction. Tandon opposes the motion. Quantum moves for leave to file a reply. Tandon opposes the motion for leave.

Quantum sued Tandon in the United States District Court for the Northern District of California for infringement of Quantum's reissue patent. Pursuant to the parties' motions for summary judgment, on January 14, 1991, the district court (1) denied Tandon's motion for partial summary judgment of invalidity due to deficiencies in Quantum's reissue oath, (2) granted Quantum's motion for partial summary judgment on that issue, (3) denied Tandon's motion for partial summary judgment of invalidity for failure to satisfy the best mode requirement determining that the issue presented genuine issues of material facts, and (4) denied Quantum's motion for partial summary judgment of infringement because genuine issues of material fact existed. On February 11, 1991, the district court denied Tandon's motion for reconsideration and its motion for certification of the order pursuant to 28 U.S.C. § 1292(c)(1). Tandon's appeal here is from the January 14, 1991 order and the February 11, 1991 order.

Tandon argues that the court has jurisdiction pursuant to the *Gillespie* rule and/or the *Cohen* doctrine.* We disagree. In *Copelands' Enterprises, Inc. v. CNV, Inc.*, 887 F.2d 1065, 1068 (Fed. Cir. 1989) (in banc), we acknowledged that "the Supreme Court has severely limited *Gillespie* as a basis for accepting an interlocutory decision." In *Coopers & Lybrand v. Livesay*, 437 U.S. 463, 477 n.30 (1978) the Supreme Court determined that *Gillespie* must be limited to the unique facts of the *Gillespie* case lest the final judgment rule be stripped of all significance. Accordingly Tandon's reliance on *Gillespie* is misplaced.

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* *Gillespie v. United States Steel Corp.*, 379 U.S. 148 (1964) and *Cohen v. Beneficial Industrial Loan Corp.*, 337 U.S. 541 (1949).

The Supreme Court has articulated a three-pronged test to determine whether an interlocutory order is appealable pursuant to the *Cohen* collateral order doctrine. The order must (1) conclusively determine the disputed question, (2) resolve an important issue completely separate from the merits of the action, and (3) be effectively unreviewable on appeal from a final judgment. *Gulfstream Aerospace Corp. v. Mayacamas Corp.*, 108 SCt. 1133, 1136-37 (1988). Here, Tandon argues that the district court's failure to address Tandon's Fed. R. Civ. P. 56(f) declarations and the need for additional discovery is reviewable under the *Cohen* doctrine. Again we disagree. The "failure" to address a matter in the context of a partial summary judgment does not satisfy any of the three requirements of the *Cohen* test. Accordingly, Tandon's reliance on the *Cohen* doctrine is misplaced.

Accordingly,

IT IS ORDERED THAT:

(1) Quantum's motion to dismiss is granted.

(2) Quantum's motion for leave to file a reply is granted.

FOR THE COURT

APR 29 1991
Date

/s/ Giles S. Rich
Giles S. Rich
Circuit Judge

ISSUED AS A MANDATE: APR 29 1991

DO NOT PUBLISH

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

QUANTUM CORPORATION,	)	
	)	
Plaintiff,	)	No. C-89-1812 WHO
	)	
vs.	)	MEMORANDUM
	)	OPINION
	)	AND ORDER
TANDON CORPORATION,	)	
	)	
Defendant.	)	
	)	

In this patent infringement suit, plaintiff, Quantum Corporation ("Quantum"), alleges that defendant, Tandon Corporation ("Tandon"), infringed its Reissue Patent No. Re. 32,075 ("'075 reissue patent" or "reissue patent"). Tandon filed a motion for summary judgment alleging that the '075 reissue patent was invalid because of problems with the reissue oath, and a motion for partial summary judgment alleging that the '075 reissue patent was invalid for failure to set forth the "best mode."

Quantum filed a cross-motion for summary judgment asserting that the '075 reissue patent was valid and that Tandon's affirmative defense of invalidity due to reissue oath problems should be dismissed. Quantum also filed a motion for summary judgment alleging Tandon's TM 362/262 disk drives infringe the reissue patent.

Having considered the pleadings filed in support of and in opposition to the motions and the oral argument of counsel, the Court denies Tandon's motion for summary judgment as to the reissue oath defense, and grants Quantum's cross-motion as to the issue of invalidity due to reissue oath deficiencies. The Court denies Tandon's motion for partial summary judgment as to invalidity because Quantum failed to set forth the best mode for carrying out the claimed invention as required by 35 U.S.C. § 112,[1] and denies Quantum's motion for summary judgment as to infringement of the reissue patent by Tandon's TM 362/262 disk drives.

I.

Quantum is a leading manufacturer of high capacity, low cost computer disk drives. Its disk drives are connected to computer systems and used to collect and store data for processing purposes. Tandon manufactures competing disk drives called TM 362 and TM 262. It is these devices that Quantum alleges infringe its patent-in-suit, the '075 reissue patent.

In 1980, Quantum developed a disk drive called the series Q2000 for use in small computer systems such as desk top work stations and personal computers. The unique feature of this new disk drive that led to its enormous success is a "servo" circuit that enables more accurate data storage and

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[1] 35 U.S.C. § 112 [para. 1] provides in pertinent part that:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.

retrieval operations in the drive. By using this "servo" circuit, the data storage capacity of the Q2000 was effectively doubled relative to other small disk drives then on the market.

On September 24, 1980, Quantum filed its original application with the United States Patent and Trademark Office ("PTO"). Five days later, it shipped its first order of Q2000 series disk drives to customers. On August 2, 1983, the PTO issued U.S. Patent No. 4,396,959 ("'959 patent"). Believing that this patent claimed both more than and less than it was entitled to claim, Quantum submitted the '959 patent to the PTO for reissue on April 3, 1984. The PTO rejected Quantum's first application for reissue finding that, among other things, the reissue oath failed to specify distinctly the excesses and insufficiencies in the claims, failed to specify particularly the errors relied upon and how such errors occurred as required under 37 C.F.R 1.175(a) (5) and (6),[2] and completely failed to address the amendments made to the specification.

Thereafter, Quantum filed a supplemental reissue oath ("SRO") with the PTO wherein it attempted to correct the deficiencies in the original reissue oath. On January 28, 1986, the PTO approved Quantum's application for a reissue patent and issued the '075 reissue patent.

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[2] 37 C.F.R. § 1.175(a)(5)(6) provides that:

> (a) Applicants for reissue, in addition to complying with the requirements of § 1.63, must also file with their applications a statement under oath or declaration as follows:
>
> . . . . .
>
> (5) Particularly specifying the errors relied upon, and how they arose or occurred.
>
> (6) Stating that said errors arose "without deceptive intention" on the part of the applicant.

II.

Tandon contends that the '075 reissue patent is invalid on two grounds: first, that Quantum amended both the claims and the specification[3] without particularly specifying the requisite error and how such error occurred as required by 35 U.S.C. § 251;[4] and, second, that Quantum failed to disclose the "best mode contemplated by the inventor of carrying out his invention" as required by § 112. As will be shown, Tandon's first contention is without merit, and Quantum is entitled to summary judgment on the issue of invalidity because of reissue oath deficiencies. As to Tandon's second contention, the Court finds that there are genuine issues of material fact that can be resolved only after a full trial on the merits as to whether Quantum complied with the best mode requirement of § 112.

Preliminarily, the Court notes that a patent duly issued by the PTO is presumed valid and the party asserting

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[3] Strictly speaking, both the claims and their descriptions are part of the specification under 35 U.S.C. § 112. The parties, however, have used the term specification exclusively to refer to the descriptive material accompanying the claims. For the sake of clarity, the Court adopts this convention in this Memorandum Opinion.

[4] 35 U.S.C. § 251 provides in pertinent part that:

> Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue.

invalidity bears the burden of overcoming this presumption by clear and convincing evidence. 35 U.S.C. § 282[5]. Upon reissue, the "'burden of proving invalidity [is] made heavier' . . . ." *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1139 (Fed. Cir. 1985) (quoting *Fromson v. Advance Offset Plate, Inc.*, 775 F.2d 1549, 1555 (Fed. Cir. 1985)). Therefore, although this Court must reach an independent conclusion as to the validity of the reissue patent, "the reissue patent reaches the Court clothed in a statutory presumption of validity . . . ." *Id.*

A.

The Court begins its analysis of the reissue patent's validity, as it must, with the statutory authority for seeking reissue. That statute, 35 U.S.C. § 251, provides in pertinent part that:

> Whenever any patent is, through error without any deceptive intention, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on surrender of such patent . . . reissue the patent for the invention disclosed in the original patent . . . .

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[5] 35 U.S.C. § 282 [para. 1] provides in pertinent part that:

> A patent shall be presumed valid. Each claim of a patent (whether in independent, dependent, or multiple dependent form) shall be presumed valid independently of the validity of other claims; dependent or multiple dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting such invalidity.

In enacting this statute, Congress provided a mechanism by which patentees could correct any errors made in prosecution of the original patent application. In that the regard, "[t]he statute is remedial in nature, based on fundamental principles of equity and fairness, and should be construed liberally." *In re Weiler*, 790 F.2d 1576, 1579 (Fed. Cir. 1986).

It is apparent from reading the above statute that "error" is a prerequisite to seeking reissue. As the Federal Circuit has recently pointed out, this "error" has two aspects: first, the patent must be defective, and second, the defect must be the result of mistake, inadvertence, or accident on the part of the patentee. *Hewlett-Packard v. Bausch & Lomb, Inc.*, 882 F.2d 1556 (Fed. Cir. 1989).

The statutory requirements of § 251 have been implemented by 37 C.F.R. § 1.175, which provides that the party seeking reissue must file with the PTO an oath or declaration setting forth both the error or errors that led to seeking reissue and how such error or errors occurred. Tandon contends that Quantum did not comply with either of these requirements.

It is undisputed that in prosecuting its reissue application, Quantum amended the specification or description of the claims. Tandon submits that, because Quantum admitted in its SRO that there were no errors in the original specification, allowing Quantum to amend the specification was error on the part of the PTO. Tandon submits that this error alone is sufficient to invalidate the reissue patent and, even if there was sufficient error to entitle Quantum to amend the specification, the patent is invalid because Quantum failed to comply with § 1.175(a)(2), which provides that when a patentee is seeking reissue on the basis of errors in the specification, the patentee must particularly specify such errors.

This argument, however, ignores the fact that Quantum sought reissue not because of errors in the specification, but rather because the original patent was, in certain respects, both too broad and too narrow. Section 251 specifically provides that a patentee may seek reissue when the original patent is invalid or inoperative because of errors in the specification or drawing *or* because the original patent claims more or less than that to which the patentee was entitled. Here, Quantum's reason for seeking reissue, as set forth in its SRO, was that the original patent was "partly inoperative or invalid by reason of the patentees claiming both more and less than they had a right to claim in said letters patent." Exhibits in Support of Defendant's Motion ("Tandon's Exh."), filed Dec. 29, 1989, Exh. E (Quantum's SRO) at 2.

Because Quantum sought reissue on the basis of errors in the claims and not errors in the specification, the mandates of § 1.175(a)(3) are applicable and those of § 1.175(a)(2) are not. Section 1.175(a)(3) provides that "[w]hen it is claimed that such patent is inoperative or invalid 'by reason of the patentee claiming more or less than he had the right to claim in the patent,' [the patentee must] distinctly specify[] the excess or insufficiency in the claims."

It is apparent from the record that the amendments to the specification were made either to correct obvious typographical errors or to make the specification correspond with the corrected claims. Nonetheless, Tandon asserts that regardless of the purpose for the amendments, "[e]very departure from the original patent represents an 'error' in said original patent . . . and must be particularly and distinctly specified and supported in the original, or a supplemental, reissue oath or declaration under § 1.175." Manual of Patent Examining Procedure ("MPEP") § 1444. While Tandon is correct in noting that every amendment is "error," it overlooks the fact that Quantum, in its SRO, did adequately justify its reasons

for amending the specification. Under well-established patent practice, when a patentee amends any of the claims, it also must make appropriate amendments to the specification to ensure certainty in construing the new claims. MPEP § 608.01(o). This is precisely what Quantum did. In its SRO, Quantum stated that "[c]ertain amendatory language is inserted to correct obvious typographical and drawing errors while other amendatory language is inserted in accordance with MPEP Section 608.01 (o)." Tandon's Exh. E at 15-16.

Tandon's argument that Quantum failed to comply with the disclosure requirements is further undercut by the fact that in approving the reissue application the examiners expressly stated that the "[a]pplicant has presented persuasive justification for each amendment made to the specification . . . ." Tandon's Exh. F (Examiner's Statement of Reasons for Allowance) at 2. This finding is due great weight and deference. *See, Interconnect Planning Corp.*, 774 F.2d 1132.

B.

Tandon next contends that Quantum did not allege with proper specificity the error upon which it relied in amending the claims themselves. The Court reiterates that because the PTO issued the patent, the patent is presumed valid and Tandon bears the heavy burden of producing clear and convincing evidence as to its invalidity.

Tandon submits that Quantum failed to comply with the disclosure requirements of 37 C.F.R. § 1.175 because it failed to provide a reissue oath or declaration explaining how the error occurred. This is factually untrue. To support its application for a reissue patent, Quantum submitted a sixteen-page SRO wherein it set forth in great detail both

the errors supporting reissue and how such errors occurred. Tandon's Exh. E.

On page three of the SRO, Quantum pointed out that the reason one of the claims issued with a scope narrower than that to which it was entitled was because certain prior art, of which it had only recently become aware, indicated that one of the limitations in the claim was unnecessary to practice the invention claimed. Quantum declared that it only became aware of this prior art during discovery of a subsequent infringement action. The SRO is replete with other examples wherein Quantum fully set forth its detailed reasons for seeking reissue. This type of evidence has been held sufficient to satisfy the error requirement of 35 U.S.C. § 251 and the particularity requirement of 37 C.F.R. § 1.175.

In *In re Wilder*, 736 F.2d 1516 (Fed. Cir. 1984), the Court was presented with precisely the type of evidence present here. After first noting that "[t]he error provision of 35 U.S.C. § 251 is to be liberally construed to permit correction of defects," the court held that "[a]n attorney's failure to appreciate the full scope of the invention is one of the most common sources of defects in patents." *Id.* at 1519. The Court then held that an attorney's explanation that his error "arose because no prior art search was done and he assumed limitations were required by the prior art without justification" was a sufficient explanation of how the error arose to satisfy the requirements of § 1.175(a)(5). *Id.* at 1520.

In addition to *Wilder*, support for Quantum's position is found in § 1414.03 of the MPEP, which provides in pertinent part that:

> If [an] applicant is seeking to amend claims in view of particular prior art or other information the reissue oath or declaration must point out such prior art or other information and "the errors relied on" in view of such prior art or other information.

> More specifically, the oath or declaration, in appropriate circumstances, might state that some or all claims are deemed to be too broad and invalid in view of references X and Y. *Usually, a general statement will suffice* . . . .
>
> It is particularly important that the reissue oath or declaration specify in detail how the errors arose or occurred. . . . For example, the reissue oath or declaration must indicate when and the manner in which the reissue applicant became aware of the prior art or other information and of the error in the patent; *such as, for example, through discovery of prior art or other information subsequent to issuance of patent* . . . .

(Emphasis added).

Here, as in *Wilder*, the SRO stated that the error of underestimating the scope of the invention arose because prior art, of which Quantum subsequently became aware, was not known and accounted for in drafting the original claims. Quantum provided specific evidence that it became aware of the Walton, Suzuki, and Van Landingham prior art only during the discovery phase of an infringement action initiated subsequent to issuance of the original patent. As noted above, this type of evidence is expressly mentioned in the MPEP, and has received judicial approval in *Wilder*. This, coupled with the fact that the PTO, whose expertise in this area is entitled to great deference, expressly found that Quantum had fully complied with the disclosure requirements of §§ 251 and 1.175, leads this Court to the inescapable conclusion that Tandon has not carried its heavy burden of producing clear and convincing evidence that the '075 reissue patent is invalid because of deficiencies in the reissue oath.

III.

Tandon's last contention is that the '075 reissue patent is invalid because Quantum failed to disclose the "best mode contemplated by the inventor of carrying out his invention" as required by 35 U.S.C. § 112. Failure to comply with this requirement results in invalidity. 35 U.S.C. § 282(3). Whether a patentee has complied with the best mode requirement is determined "by comparing the disclosure [in the patent application] with the facts concerning the invention known to the inventor at the time the application was filed." *Dana Corp. v. IPC Ltd.*, 860 F.2d 415, 418 (Fed. Cir. 1988). As the Federal Circuit has noted:

> Because the best mode provision of § 112 speaks in terms of the best mode "contemplated by the inventor," there is no objective standard by which to judge the adequacy of a best mode disclosure. Instead, only evidence of "concealment," whether accidental or intentional, is considered. The specificity of disclosure required to comply with the best mode requirement must be determined by the knowledge of facts within the possession of the inventor at the time of filing the application.

Spectra Physics, Inc. v. Coherent, Inc., 827 F.2d 1524, 1535-36 (Fed. Cir. 1987), *cert. denied*, 108 S.Ct. 346 (1987) (citations omitted). Tandon specifically argues that at the time Quantum filed its original patent application, Quantum had already produced a prototype of the Q2000 series disk drives. Tandon alleges that this prototype differed in many respects from the embodiment of the invention disclosed in the specification filed with the original patent application.

Tandon has pointed to five different aspects in which it claims Quantum failed to satisfy the best mode requirement. Each of these aspects will be discussed in turn.

A.

Tandon first contends that Quantum failed to satisfy § 112 with respect to the "servowriter" used to record the pattern of "bursts" recorded on the disk surfaces. It contends that at the time Quantum filed its patent application, Quantum had developed a method of recording the required bursts that was far superior to any previously known method, and yet failed to disclose this new method in its application.

Quantum argues that because the servowriter was never viewed by the inventors as a component of their invention, it was unnecessary to disclose the best mode of implementing the servowriter. Quantum contends that the servowriter is nothing more than a tool used in building the invention and that the crux of the invention is the servo burst pattern itself, which is fully disclosed in the patent.

To support this contention, Quantum relies on *Indecor Inc. v. Fox-Wells & Co.*, 642 F. Supp. 1473, 1490 (S.D.N.Y. 1986). In *Indecor*, the defendant argued that the plaintiff's patent was invalid because it failed to disclose specific procedures used to produce a commercial embodiment of the claimed invention (a certain fabric). In rejecting this argument, the court concluded that because the patent at issue concerned a fabric, and "not the details of a knitting process," plaintiff's "failure to disclose every last detail of the knitting process does not affect in any way whether the . . . [p]atent adequately disclosed the inventor's preferred embodiment of the invention." *Id.*

Here, the claimed invention is a disk drive apparatus and corresponding method of use, not a method of disk drive

manufacture. Therefore, because it is undisputed that any commercially available servowriter could produce the required servo burst patterns, Quantum was under no obligation to disclose the type of servowriter used to record the needed bursts.

Tandon argues that *Spectra-Physics* compels a different result. *Spectra-Physics*, however, is readily distinguishable from the instant case.

In *Spectra-Physics*, the patentee had developed a new kind of laser. As part of the claimed invention, certain heat conducting cups were brazed to the ceramic laser discharge tube. While there were many successful methods and compounds capable of achieving the necessary bond between the cups and the tube, one particular method was far superior to others. Nonetheless, the patentee failed to adequately disclose the preferred method of brazing.

In invalidating the patent, the court held that because the brazing method was "'necessary to the enjoyment of the invention,'" the patentee's failure to disclose the preferred method violated § 112. 827 F.2d at 1537. Here, the method of recording the servo bursts on the disk surface was not necessary to practice the invention. Rather, the pattern of the bursts themselves was the critical feature. Therefore, the Court finds that Quantum adequately disclosed the best mode for practicing its invention with respect to the servowriter.

B.

Tandon next contends that Quantum failed to satisfy the best mode requirement when it failed to disclose the computer program necessary to operate the disk drive's microprocessor.

The patent-in-suit does not disclose a specific program for operation of the claimed disk drives. It does, however, disclose a number of modes of operation and functions to be performed in those modes. More specifically, the sequence of steps to be implemented by the microprocessor programs for each mode of microprocessor operation are clearly outlined. Quantum's expert, Dr. A.J. Nichols III, an electrical engineer, stated in his declaration that these functions and program steps constitute a program specification from which any competent software programmer could develop microcode instructions. According to Dr. Nichols, all of the key descriptions necessary to program the microprocessor are provided in the patent. The only thing missing is the actual machine language forum for the microprocessor program itself. Quantum relies on *Matter of Application of Sherwood*, 613 F.2d 809 (C.C.P.A. 1980), to support its view that this disclosure is adequate to satisfy the best mode requirement with respect to the computer program.

In *Sherwood*, the Court of Customs and Patent Appeals reversed a PTO Board of Appeals finding of invalidity for failure to set forth the best mode. The issue presented in *Sherwood* was whether failure to disclose a computer program violated the best mode requirement of § 112. 613 F.2d at 816. In answering this question in the negative, the court noted that so long as a patentee discloses sufficient "mathematical methodology to bridge the gap between the information one starts with (the 'input')and the information that is desired (the 'output'). . ., there would seem to be no cogent reason to require disclosure of the menial tools known to all who practice this art." *Id.* at 817. The court concluded its analysis by holding that because the specification set forth "the best mode in a manner sufficient to require only the application of routine skill to produce a

workable digital computer program," the Board had erred in finding the patent invalid. *Id.*

Here, Tandon contends that Quantum has not disclosed its program information with anywhere near the specificity that the patentee did in *Sherwood*. Because both parties have submitted substantial evidence to support their respective positions, the Court finds that a genuine issue of material fact exists as to whether Quantum disclosed with sufficient specificity the information needed to enable one skilled in the art to implement the best mode for programming the microprocessor.

C.

Tandon next submits that Quantum failed to disclose the best mode with regard to the "Read Data Channel." The fundamental purpose of any disk drive is the ability to accurately read and write data. In its patent, Quantum showed the Read Data Channel connected to the computer interface after having been routed through the disk drive's microprocessor. But in its first commercially sold disk drive, which was shipped to customers only five days after filing the initial patent application, the Read Data Channel was connected directly to the computer interface. Tandon argues that this fact, coupled with the fact that all prefiling conceptualizations of the device showed the channel being connected directly to the interface, establishes that Quantum failed to disclose the best mode for what was claimed.

Quantum argues that the commercial embodiment of a patent is not always the best mode of all aspects of the claimed invention. *See, Texas Instruments Inc. v. United States Int'l Trade Comm'n*, 871 F.2d 1054, 1061 (Fed. Cir. 1989). Quantum then asserts that, notwithstanding the fact that the initial embodiment of its disk drives contained

a Read Data Channel attached directly to the computer interface, at the time of filing the patent application its inventors contemplated that routing the Read Data Channel through a microprocessor was the best mode for bringing its invention to fruition. As support for this proposition, Quantum submitted the affidavit of Donald V. Daniels, one of Quantum's co-founders, in which he states that it was always his intention to route the Read Data Channel through the microprocessor but that due to time constraints he settled for the less attractive alternative of connecting the Read Data Channel directly to the computer interface. Affidavit of Donald V. Daniels ("Daniels Affidavit"), filed Mar. 16, 1990, at 8.

Tandon attempts to refute this contention by pointing to the deposition testimony of Arthur Geffon, one of the engineers responsible for the development of the Read Data Channels at the time the patent application was prosecuted. Geffon testified that he never considered sending the Read Data Channel through the microprocessor and that he "couldn't think of any reason why we [Quantum] would want to send the data into or out over the microprocessor . . . ." Exhibits in Support of Defendants' Best Mode Motion, filed Feb. 28, 1990, Exh. Z (Deposition of Arthur Geffon) at 88-89.

Tandon also asserts that there is no indication that at the time of filing Quantum had the capability to produce a disk drive in which the Read Data Channels are routed through a microprocessor. It submits that Quantum could not have "contemplated" a method of implementing its invention that it did not have the capability to achieve. Therefore, Tandon contends that this fact, coupled with Geffon's testimony, proves that Quantum failed to disclose the best mode for practicing its invention with respect to the Read Data Channels.

While this argument is persuasive, the Court finds that whether Quantum truly contemplated routing the Read Data Channel through the microprocessor presents a genuine issue of material fact that is better left to the trier of fact after a full trial on the merits. Therefore, the Court denies Tandon's motion with respect to the Read Data Channel.

D.

Tandon's next contention is that Quantum failed to disclose the best mode with respect to the "index pulse." Specifically, Tandon argues that Quantum failed to satisfy the best mode requirement by failing to disclose that the index pulse was delayed and by stating that the index signal was produced by the microprocessor when, in fact, it was produced by an external timing device.

One of the principal features of Quantum's Q2000 disk drive was its ability to store significantly more data than other disk drives then on the market while continuing to be totally compatible with the SA1OOO disk drive. Daniels Affidavit at 4. In order to accomplish this, Quantum had to "data mask" the "sector" on the disk surface in which the position information was to be recorded. *Id.* This could be accomplished only by delaying the index signal that is sent to the disk drive interface where it marks the beginning of the data field on the tracks. *Id.* Thus, delaying the signal was crucial to the function of the claimed invention. Yet, nowhere in the patent did Quantum disclose the fact that the index pulse is delayed. Tandon argues that this failure alone constituted a failure to satisfy the best mode requirement of § 112.

Quantum makes three arguments as to why its failure to disclose the fact that the index signal was delayed and its

statement that the signal was produced by the microprocessor satisfy the best mode requirement.

First, Quantum argues that the PTO already addressed and dismissed a protest on best mode grounds with respect to the index pulse in an action filed by a third party, and that this decision is entitled to deference. While it is true generally that the actions of the PTO are entitled to deference by this Court, *see*, *Interconnect Planning Corp.*, in this instance, the PTO's decision is entitled to no weight.

The section of the MPEP that the examiner undoubtedly relied on in examining Quantum's application has undergone a significant change in the intervening years while the legal requirement of § 112 has remained constant. Under the prior version of § 608.01(h) of the MPEP, an operative example of the invention was deemed sufficient to meet the best mode requirement in the absence of information to the contrary. The new version, however, is in line with judicial precedent in stating that the presence of a working example is *not* evidence that the best mode requirement has been complied with. MPEP § 608.01(h) (citing *Application of Honn*, 364 F.2d 454, 462 (U.C.C.A. 1966). For this reason, the Court declines to give any weight to the examiner's decision.

Second, Quantum argues that the fact that the index signal is delayed is disclosed in the patent to anyone reasonably skilled in the art. As the recent case *Chemcast Corp. v. Arco Industries Corp.*, 16 U.S.P.Q. 2d 1033 (Fed. Cir. 1990), makes clear, "the disclosure required by section 112 is directed to those skilled in the art." *Id.* at 1036. "[W]hether a best mode disclosure is adequate, that is, whether the inventor concealed a better mode of practicing his invention than he disclosed, is a function of not only what the inventor knew *but also how one skilled in the art would have understood his disclosure*. . . . Thus, the level of skill

in the art is a relevant and necessary consideration in assessing the adequacy of a best mode disclosure." *Id.* (emphasis added; citations omitted).

Here, as noted above, Quantum argues that one skilled in the art would be able to determine from the disclosure in the patent-in-suit that the index pulse is delayed. The Court finds that whether this is so involves a genuine issue of material fact that precludes the granting of summary judgment.

Third, Quantum argues that despite the fact that the commercial embodiment of its patent generated the index signal by an external signaling device and not by the microprocessor as provided for in the specification, it always intended that the best mode for producing the signal was by use of the microprocessor. Plaintiff's Memorandum of Points and Authorities in Opposition ("Quantum's Opposition"), filed Mar. 16, 1990, at 7. Once again, it submits that the only reason the first prototype failed to produce the signal in this manner is because time constraints forced it to compromise and use an external device. Daniels Affidavit at 6-7. To support this contention, Quantum points out that all of its second generation Q500 disk drives utilized a microprocessor-based user index signaling system.

Quantum has submitted no evidence indicating that at the time it filed its patent application it had the knowledge or capability to produce the index signal by operation of the microprocessor. Tandon, therefore, submits that the best evidence of what Quantum knew at the time of filing the patent application was the prototype disk drive in existence at the time of filing, and that, because the prototype differed from the specification with respect to the manner in which the index signal was produced, Quantum failed to satisfy the best mode requirement with respect to the index pulse. While this argument is persuasive, the Court must again find

that what the inventor contemplated at the time of filing the patent application presents a genuine issue of material fact. Therefore, the Court denies Tandon's motion for summary judgment with respect to the index pulse.

E.

Finally, Tandon argues that Quantum failed to satisfy the best mode requirement with respect to the "head support arm." It points out that although other mechanical components of the patent are shown in detail in figures 5, 9, 10, and 12 of the drawings, the head support arm is indicated only schematically by a few lines in figure 1.

Quantum asserts that although the head support arm is set forth as an element in some of the claims, it is merely an adjunct to the structure on which the inventive positioning system of the reissue patent is designed to act. Accordingly, Quantum argues that the head support arm is a "noncritical" feature of the invention, and is thus supportable by a more general disclosure. Quantum's Opposition at 15-16.

Quantum relies on *Sherman Industries, Inc. v. Proto-Vest, Inc.*, 219 USPQ 256 (D. N.J. 1983) and *In re Spring Assemblies*, 216 USPQ 225 (I.T.C. 1981), to support its argument that a more general disclosure is sufficient with regard to the head support arm. Those courts based their decisions on findings that the elements not specifically disclosed were "noncritical" to the operation of the patent and were commonly-used elements in the relevant industry.

Tandon submits that in this case, however, there is substantial evidence that Quantum designed and tested the arm as a necessary step in the mechanical and electrical design of the Q2000 disk drives. Tandon contends that this is evidenced by the fact that despite the existence of other commonly-used truss arms, Quantum did not simply buy or

copy an existing arm, but instead made a conscious effort to design a specific arm that would more readily accomplish its purpose. Tandon concludes that these facts make cases such as *Sherman Industries* and *In re Spring Assemblies* inapplicable.

Quantum argues that Tandon's evidence of efforts undertaken by Quantum to incorporate the head support arm in the Q2000 disk drive is misleading because the calculations were not used to create a new type of arm, but rather, to make existing arms compatible with the Q2000. Quantum then argues that it is not required to divulge the engineering calculations by which the arm was optimized for use in the Q2000 disk drive. For this proposition, Quantum cites *Christianson v. Colt Industries Operating Corp.*, 822 F.2d 1544, 1562 (Fed. Cir. 1987), wherein the court held that "the law has never required that a patentee who elects to manufacture its claimed invention must disclose in its patent the dimensions, tolerances, drawings and other parameters of mass production not necessary to enable one skilled in the art to practice (as distinguished from mass-produce) the invention."

The Court finds that whether Quantum disclosed the head support arm structure in enough detail to enable one skilled in the art to practice the best mode contemplated by the inventors at the time of filing presents a genuine issue of material fact that is better left to the trier of fact. Therefore, the Court denies Tandon's motion with respect to head support arm.

IV.

Quantum's motion for summary judgment as to infringement is based solely on Claim 2 of the reissue patent. Claim 2 is directed to an electro-mechanical apparatus for enhanc-

ing the accuracy of operation of a disk drive. Specifically, the reissue patent discloses and claims an apparatus for precisely positioning the read/write heads of a disk drive.

Quantum alleges that Tandon's TM 362/262 disk drives literally infringe the reissue patent. To determine whether these drives do in fact literally infringe the reissue patent, the Court must engage in a two-step analysis. First, the Court must determine the scope of the patented invention, as indicated by the claim language. *Smithkline Diagnostics, Inc. v. Helena Laboratories Corp.*, 859 F.2d 878, 889 (Fed. Cir. 1988). The proper scope of the claims is a question of law. *Molinaro v. Fannon/Courier Corp.*, 745 F.2d 651, 654 (Fed. Cir. 1984). Second, the Court must determine whether the claim, as properly interpreted, covers the accused device. *SRI Int'l v. Matsushita Elec. Corp. of America*, 775 F.2d 1107, 1118 (Fed. Cir. 1985). This analysis requires attention to each claim element. Thus, to prevail, Quantum must affirmatively prove that the accused devices incorporate each and every limitation of Claim 2 of the reissue patent. *Corning Glass Works v. Sumitomo Elect. U.S.A., Inc.*, 868 F.2d 1251, 1257 (Fed. Cir. 1989).

Summary judgment under Rule 56 of the Federal Rules of Civil Procedure is appropriate in patent cases, as in all cases, when there is no genuine issue of material fact and the moving party is entitled to judgment as a matter of law. *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 656 (Fed. Cir. 1986). In determining whether the moving party is entitled to summary judgment, the Court must resolve all doubts respecting the presence or absence of genuine issues of material fact in favor of the party opposing summary judgment. *Howes v. Medical Components, Inc.*, 814 F.2d 638, 643 (Fed. Cir. 1987). Furthermore, while claim construction is generally a question of law, "when the meaning of a term in the claim is disputed and extrinsic

evidence is necessary to explain that term, then an underlying factual questions [*sic*] arises, and construction of the claim should be left to the trier or jury under appropriate instruction." *Palumbo v. Don-Joy Co.*, 762 F.2d 969, 974 (Fed. Cir. 1985). This is especially so when construing the claim at issue involves deciphering complex scientific terms or when expert testimony is necessary to give meaning to a disputed term. *Howes*, 814 F.2d at 643. Applying these principles to the instant case, the Court finds that numerous genuine issues of material fact exist with respect to the proper scope of the claim at issue and with respect to whether the accused devices incorporate each and every element of Claim 2.

Claim 2 of the reissue patent occupies thirty-eight lines of the reissue patent. Some of the limitations of Claim 2 are expressed in the form of a means for performing a specific function or functions (known as "means-plus-function" language), without recital in the claim to a specific structure which performs the claimed function. In such situations, 35 U.S.C. § 112,[6] mandates that the claim be construed to cover the corresponding structure described in the patent's specification as well as equivalents thereof.

Tandon has identified what it considers to be seven material factual disputes with regard to the limitations of Claim 2 and whether the accused devices embody each

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[6] Section 112 [para. 6] provides in pertinent part:

> An element in a claim for a combination may be expressed as a means or step for performing a specified function without the recital of structure, material, or acts in support thereof, and such claim shall be construed to cover the corresponding structure, material, or acts described in the specification and equivalents thereof.

element of the claim. The Court will discuss each of these in turn.

A.

Claim 2 of the reissue patent claims, *inter alia*, "a data storage disk journalled to the frame . . . ." Memorandum of Points and Authorities in Support of Plaintiff's Motion ("Quantum's Memorandum"), filed May 12, 1990, Table I. Tandon contends that in the infringing devices, the disks are supported by the disk drive motor, rather than being journalled to the frame. It further contends that this is a distinctly different method of supporting disks than journalling to the frame, both of which were known at the time Quantum filed its patent application. Quantum, on the other hand, argues that the method by which the disks are attached in the accused devices are "journalled to the frame" as the term is used in Claim 2. Because both parties have submitted competent evidence to support their contentions, the Court finds that a genuine issue of material fact exists as to whether the disks in the accused devices are "journalled to the frame" as required by Claim 2.

B.

Claim 2 requires a head mounting structure secured to a bidirectionally moveable electro-mechanical mover. Tandon contends that this limitation is not found in the accused devices because the accused devices use a different way of moving the heads. Specifically, Tandon argues that the head mounting structure in the accused devices is not secured to the mover because it is "not directly connected" to the stepper motor. Quantum asserts that Tandon reaches this conclusion only by impermissibly narrowing the scope of

Claim 2 to its preferred embodiment. As Quantum correctly points out, a claim is not limited to the preferred embodiment of the claim. *SRI Int'l*, 775 F.2d at 1121 (literal infringement is not determined by comparing the accused device with a preferred or commercial embodiment, but rather, with the properly construed claims in suit).

In order to ascertain which party's interpretation is correct, the Court must define the term "bidirectionally moveable electro-mechanical mover." But because the Court determines that expert testimony is needed to give meaning to this disputed term, the Court finds that a genuine issue of material fact exists as to whether the accused devices employ a "head mounting structure" secured to a "bidirectionally moveable electro-mechanical mover."

C.

Tandon next contends that its accused devices do not contain a "coarse servo positioning system" as required by Claim 2. Quantum argues that this limitation is not found in the language of Claim 2, but is instead found only by impermissibly imputing the limitation from the commercial embodiment. Tandon counters by arguing that the prosecution history of the reissue patent and its predecessor support the finding of such a limitation. Tandon has submitted the statement of Examiner Tupper, the examiner who examined both the original and reissue patent applications. Examiner Tupper stated that a number of the claims, including the one that became Claim 2 of the reissue patent, "are drawn to a magnetic head positioning system with course and fine servo subsystems." Defendant's Memorandum, filed Oct. 23, 1989, Exh. 10 at 2.

Tandon argues that the term "servo" system means only a "feedback or "closed loop" system, and that the accused

devices use an "open loop" positioning system. Quantum argues that even if a "servo" limitation is read into Claim 2, Tandon's definition of a "servo" system as meaning a "feedback" or "closed loop" system is contrary to established usage. Quantum contends that a "servo" system may be either a "closed loop" or an "open loop" system.

On the record before it, the Court is unable to say with any certainty what type of system is recited in Claim 2. The Court, therefore, finds that a genuine issue of material fact exists as to what type of system is claimed in Claim 2 and whether the accused drives contain this element.

D.

Tandon's next contention is that the mover in the accused devices does not maintain the structure within the selected data track "by reference to the frame" as required by Claim 2. This contention, however, is expressly rebutted by the deposition testimony of Tandon's expert, Mr. Masters. When asked if the mover in the accused devices functions "with reference to the frame," Masters answered "Yes." Appendices A-L to Plaintiff's Motion for Summary Judgment, filed May 12, 1989, Appendix J (Masters' Deposition) at 301:20-21; 305:15. The Court, therefore, finds that the accused devices infringe this element of Claim 2.

E.

Claim 2 of the reissue patent requires a "data track stabilization means including said mover for stabilizing said structure within a range between the boundaries of each said data track." Quantum's Memorandum, Table I. Quantum contends that the accused devices' use of a stepper motor to achieve the required stabilization infringes the

patent-in-suit. Tandon argues that the mover recited in Claim 2 cannot be interpreted so broadly as to include the use of a stepper motor as contained in the accused devices. The resolution of this question involves defining the term "bidirectionally moveable electro-mechanical mover." As noted above, the Court has determined that defining this term requires expert testimony on the matter and, thus, presents a genuine issue of material fact.

F.

Tandon next contends that the accused devices do not contain a "data masked servo sector" as recited in Claim 2. To reach this conclusion, Tandon argues that the term data masking is interpreted by those skilled in the art as meaning that the servo sector is masked from data, that is, "write protected." Quantum, on the other hand, urges the Court to adopt the definition of data masking accepted by the PTO during prosecution of the patent-in-suit. The definition adopted by the PTO defines data masking as the process by which the servo sector is "masked" from the controller. Tandon has admitted that if the Court adopts Quantum's definition, the accused devices infringe this element. Appendices A-L to Plaintiff's Motion for Summary Judgment of Infringement ("Appendix"), filed Feb. 8, 1990, Appendix R (Gardner Deposition) at 396:22-397:8

In construing the scope of a claim, it is entirely appropriate to refer to the prosecution history of the patent-in-suit. *SRI Int'l*, 775 F.2d at 1118. Here, during prosecution of the patent-in-suit, the PTO adopted the definition urged by Quantum. This is entitled to great weight. Furthermore, in a letter dated June 27, 1989, to Tandon's attorney, Tandon's Vice President of Engineering stated that:

> By review of the [Quantum] patent one skilled in the data storage art, such as myself, would conclude that the terminology "Data Masked Servo Sector" is specifying a "Masking" of the Servo Sector from the *Controller*. The Controller being the vehicle which communicates with and directs the disk drive. Data Masking is thus read/write transparency to the controller.

Appendix N.

Based on the fact that the PTO adopted Quantum's definition of data masking, coupled with the fact that Tandon's Vice President of engineering recognized that one skilled in the data storage art would employ Quantum's definition, the Court finds that the accused devices infringe the patent-in-suit with respect to this element.

G.

Finally, Claim 2 requires that the invention contain a "correction signal generator means . . . for generating an offset signal . . . to promote and maintain track centerline alignment of [the] head during read and write operations." Quantum's Memorandum, Table I. Tandon contends that the method by which the accused devices maintain fine positioning is different in many respects from the way recited in Claim 2. Once again, the Court finds itself in need of expert testimony to decide this issue. Thus, the Court finds that genuine issues of material fact exist that preclude granting summary judgment.

V.

For the foregoing reasons,

IT IS HEREBY ORDERED that:

1. Tandon's motion for summary judgment as to invalidity due to reissue oath deficiencies is DENIED.

2. Quantum's cross-motion for summary judgment as to invalidity due to reissue oath insufficiencies is GRANTED.

3. Tandon's motion for partial summary judgment as to invalidity for failure to satisfy the best mode requirement of 35 U.S.C. § 112 is DENIED on the grounds that whether Quantum disclosed the best mode contemplated by the inventors at the time of filing the patent application presents numerous genuine issues of material fact. The precise issues are as follows:

(a) Whether Quantum disclosed the steps necessary to program the microprocessor in sufficient detail to allow one skilled in the art to practice the best mode for that element of the invention.

(b) Whether, at the time of filing, Quantum actually contemplated routing the Read Data Channel through the microprocessor as the best mode for practicing its invention.

(c) Whether one skilled in the art would be able to determine from the disclosure in the patent that the index pulse was delayed, and whether Quantum disclosed the best mode contemplated by it for delaying the signal.

(d) Whether Quantum disclosed the head support arm structure in enough detail to enable one skilled in the art to practice the best mode contemplated by the inventors at the time of filing.

4. Quantum's motion for summary judgment as to infringement is DENIED because genuine issues of material fact exist as to the following issues:

(a) Whether the disks in the accused devices are journalled to the frame as required by Claim 2.

(b) Whether the head mounting structure in the accused devices is secured to a "bidirectionally moveable electromechanical mover."

(c) Whether Claim 2 claims a "coarse servo positioning system," and if so whether this system requires a "feedback" or "closed loop" system.

(d) Whether the use of a stepper motor to achieve "data track stabilization" infringes Claim 2, which claims "data track stabilization means including a bidirectionally moveable electro-mechanical mover." Resolution of this question necessarily involves defining the term "bidirectionally moveable electro-mechanical mover."

(e) Whether the method used by the accused devices to achieve and maintain track centerline alignment during read and write operations is the same as the method claimed in the patent-in-suit.

Dated: January 14, 1991.

William H. Orrick
United States District Judge

DO NOT PUBLISH

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

QUANTUM CORPORATION,	)	
	)	
Plaintiff,	)	No. C-89-1812 WHO
	)	
vs.	)	ORDER
	)	
	)	
TANDON CORPORATION,	)	
	)	
Defendant.	)	
	)	

In this patent infringement action, defendant, Tandon Corporation ("Tandon"), moves the Court to reconsider its Memorandum Opinion and Order issued January 14, 1991, or, in the alternative, to certify the issue for interlocutory appeal to the Court of Appeals for the Federal Circuit pursuant to 35 U.S.C. § 1292(b). Having reviewed the pleadings in support of the motion for reconsideration or certification of interlocutory appeal, including all authority cited therein, the Court finds that Tandon has failed to demonstrate any of the statutorily denominated prerequisites necessary to entitle it to relief from the Court's Memorandum Opinion and Order. F. R. Civ. P. 60(b). The Court also finds that Tandon has failed to demonstrate that exceptional circumstances exist to justify departing from the strong policy against piecemeal interlocutory review of

federal court decisions. *In re Cement Antitrust Litigation*, 673 F.2d 1020, 1026-27 (9th Cir. 1981).

Accordingly,

IT IS HEREBY ORDERED that Tandon's motion for reconsideration or, in the alternative, request for certification of interlocutory appeal, is DENIED.

Dated: February 11, 1991.

William H. Orrick
United States District Judge

37 C.F.R. § 1.175 Reissue oath or declaration.

(a) Applicants for reissue, in addition to complying with the requirements of § 1.63, must also file with their applications a statement under oath or declaration as follows:

(1) When the applicant verily believes the original patent to be wholly or partly inoperative or invalid, stating such belief and the reasons why.

(2) When it is claimed that such patent is so inoperative or invalid "by reason of a defective specification or drawing," particularly specifying such defects.

(3) When it is claimed that such patent is inoperative or invalid "by reason of the patentee claiming more or less than he had the right to claim in the patent," distinctly specifying the excess or insufficiency in the claims.

(4) [Reserved]

(5) Particularly specifying the errors relied upon, and how they arose or occurred.

(6) Stating that said errors arose "without any deceptive intention" on the part of the applicant.

(7) Acknowledging a duty to disclose information applicant is aware of which is material to the examination of the application.

(8) Corroborating affidavits or declarations of others may be filed and the examiner may, in any case, require additional information or affidavits or declarations concerning the application for reissue and its object.